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AGRICULTURAL SITUATION REVIEW.

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Speaking Time: 10 Minutes.

ANNOUNCEMENT: Station _____ now sends you the monthly review of the farming situation in the United States especially prepared for us by the United States Department of Agriculture.

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This month's report brings us the most recent statistics on the 1933 crop production program plan by farmers throughout the United States as indicated by their reports to the Government early in March. It also outlines for us the recent changes in numbers and production of milk cows and laying hens; and gives us the market situation for fruits and vegetables.

The crop production program for this year as reported by 41 thousand typical farmers in all parts of the country indicates that farmers are going to retrench still further in their operations. Of course these reports were submitted to the Department before the President sent to the Congress the program for national farm legislation. Therefore, farmers' intentions to plant crops at that time may not be carried out completely. The passage and putting into effect of farm legislation naturally would cause many men to change their programs.

However, as indicating the trend of the times in agriculture, the early March plans of farmers for this year's crops are instructive.

The 41 thousand men summarizing their plans for the Government indicated a trend towards smaller acreages of grains and potatoes than last year and increases in tobacco and hay. The statisticians, applying to the total farm business of the country the trends indicated by these reports, forecast a reduction of 9 million acres in the area planted to crops this year. This reduction would amount to 3 per cent of the acreage in crops in 1932. The most important decreases indicated in crop acreages by the reports were:

- Corn, nearly 4 million acres, or about $3\frac{1}{2}$ per cent;
- Spring wheat, a reduction of about 3 per cent;
- Oats, a reduction of about 3 per cent;
- Sweetpotatoes, a reduction of about 13 per cent;
- Potatoes, a reduction of more than 5 per cent;
- Tobacco, an increase of 22 per cent.

You understand these forecasts are for the country as a whole. Of course, the changes in crop acreages made by men in different sections will vary. For example, farmers in the Eastern and Central Corn Belt seem to be planning to shift about 2 million acres out of crops and into pasture. In the wheat growing sections of the Great Plains and the Pacific Northwest, much land will lie fallow because winter wheat seedings have been lost, and the present planting and price conditions are not favorable so nothing will be sown on the winter wheat acreage given up. Altogether, the crop acreage harvested in the Central and Northern Great Plains and the Pacific Northwest will show a reduction of nearly 4 million acres, if farmers carry out the intentions they reported early last month. Another section where there may be a big reduction in crop acreage is the Southern States west of the Mississippi. Farmers there reported plans for a decrease of something like 2 million acres in food and feed crops. However, the statisticians say this does not mean necessarily the crop acreage in these states will be reduced by 2 million acres.

Like crop growers, livestock raisers are struggling with the effects of the price depression as we enter the spring months. It is true that hog and lamb prices have improved slightly. However, they are still lower than a year ago. An encouraging fact for sheepmen who remain in the business is that the industry seems to be heading toward lessened production. That should tend to strengthen its price position.

The effects of low prices are showing up very strikingly in the volume of milk and egg production. Owners of milk cows have larger herds than a year ago, but they are not producing so much milk. On the other hand, farmers owning hens sold off large numbers of birds during February when the extreme price slump hit the egg markets, and the number of hens in farm flocks reported on the first of March was just a twentieth lower than on the first of February. Both the decline in milk production and the number of hens in farm flocks were direct results of low prices. Milk is so cheap that many dairymen are letting the calves do part of the milking. Since January first the amount of milk received at the large cities has fallen off greatly -- for example, New York City has been receiving about 17 per cent less milk than a year ago. This decline in receipts of fluid milk at the big cities has had its natural consequence in larger output of the manufactured dairy products. January was the first month since last September in which our dairy factories turned out more butter and cheese and so on than they did in the corresponding month of 1932. However, the storage stocks of dairy products remain smaller than they were a year ago.

In the poultry industry, the heavy sales of hens during February which decreased the size of farm flocks a twentieth in a month brought the number of laying hens down to about the same as it was on March first, 1932. Now, since the rate of laying per hen in the spring months remains about the same from year to year, the statisticians do not look for much difference between the total production of eggs in the spring months this year from the production in the same months a year ago.

Turning now to the fruit and vegetable industries, the Government market reporters say that the amount of fruits and vegetables coming to markets has come back to normal in recent weeks since the bank holiday has ended. During the holiday period when the movement of fruits and vegetables to market fell off, prices naturally advanced somewhat. As the normal movement of these products picked up, prices declined a little bit. But some of the advance was held. Two

products -- eastern sweetpotatoes and western lettuce -- actually were bringing higher prices than a year ago. However, the general level for most fruits and vegetables was considerably below that of 1932. Cabbage was bringing only a fourth to a half the prices of last season at this time. Onions from storage were selling at about a sixth as much as they did during the spring of 1932.

Earlier in this report, we notice that potato growers are planning to cut acreage by fully 5 per cent this year. The heaviest decreases are in the potato growing sections furthest from market. The growers in these sections foresee that they cannot realize a return from their expenditure of work and money if potato prices continue as low as they have been and freight rates stay at their present point.

The plans of growers of some of the other important vegetables and fruits as recently reported can be summarized as follows:

Strawberry growers in Louisiana, Florida, Alabama, Mississippi and Texas -- the early strawberry states -- plan to send to market about 3 million crates of 24 quarts each, or about a tenth more than last spring.

Watermelon planters in the 7 states which produce the second-early crop, are planning to cut acreage a fifth below last year's plantings. Georgia growers, reporting an intended reduction of 30 per cent in acreage, are leading the retrenchment move. The decreases in the other second-early watermelon states range from 8 to 22 per cent. If the weather is such that the production of watermelons comes down as much as the acreage will, the 1933 market situation for this product may show some improvement, say the market reporters. Onion growers in the 7 states that produce the intermediate crop report plans to reduce the acreage about a sixth. Growers in the 17 states producing the late crop are planning a reduction of a seventh.

On the other hand, the early cabbage crop will probably be two-fifths larger than last year's crop. The intermediate cabbage crop will be grown on a slightly smaller acreage. Growers in the states producing the late crop, are planning a reduction of a sixth, bringing their acreage down to the lowest point since 1925.

Altogether, the 1933 program of farm production, now beginning to take shape, seems to involve further retrenchment in response to the ruinously low level of prices of farm products. The commercial production of many lines of perishable crops, along with the less perishable crops is to be cut down. Farmers are forced back still closer to the pioneer type of self sufficing agriculture. Commercial farming -- the raising of cash crops to provide the money for supplying the many needs and desires of families on a modern standard of living -- is difficult since prices of farm products have fallen to half the present prewar level, while prices of things farmers buy still remain at more than three-fourths the prewar level. Therefore, farmers are making the only response they can; they are living so far as possible on their own resources, and applying what cash they can realize to defraying tax and interest charges in order to keep title to their farm homes.

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ANNOUNCEMENT: We have sent you a summary of the agricultural situation as we enter the spring season especially prepared for Station _____ by the United States Department of Agriculture.

